

## Workforce Supply

- **Unemployment is low, but the region has a 53,400-strong available labor pool, that includes 44,700 underemployed workers who are looking for better jobs.**

The underemployed are willing to commute farther and longer. For the one-way commute, 70 percent are prepared for 20 or more minutes longer and 65 percent will go 20 or more extra miles. Underemployment ranged from 23.2 percent for Lowndes County to 32.8 percent for Butler County. Montgomery County has the largest available labor in the region and Lowndes County has the smallest.

Labor Force	184,378
Employed	176,517
Underemployment rate	26.8%
Number of underemployed workers	47,307
Unemployed	7,861
<b>Available labor pool</b>	<b>55,168</b>

Note: Based on August 2005 labor force data.

Source: Center for Business and Economic Research, The University of Alabama and Alabama Department of Industrial Relations.

- **In 2000, about 13,200 workers commuted into the region for work, compared to 8,850 out-commuters.**

Montgomery County had a net 6,150 commuter inflow. All the other counties had net outflows. Significant commuting within the region suggests that the roads and highways must be maintained properly to ensure uninterrupted movement of workers as impeded movement of workers can slow economic development.

The one-way commute takes less than 20 minutes for 50 percent of workers, but more than 40 minutes for 14 percent, with 3 percent taking more than an hour. The commute is less than 10 miles for 42 percent of workers; about 25 percent travel more than 25 miles one-way and almost 8 percent exceed 45 miles.

- **Region 7 has higher educational attainment and population growth than the state.**

Of the age 25 and over population, 75 percent are high school graduates and 19 percent hold bachelor's or higher degrees in Alabama, compared to 78 percent and 23 percent, respectively, for Region 7. Montgomery County leads with 80 percent high school graduates and 29 percent bachelor's or higher degree holders. Population rose 2.1 percent from 2000-2004, while growing 1.9 percent for the state. The 2000-2010 projected population growth is 10.4 percent for the region and 8.8 percent for Alabama.

## Workforce Demand

- **By sector, the top five employers in the region are public administration; retail trade; manufacturing; health care and social assistance; and accommodation and food services.**

These five industries provided almost 90,000 jobs, 55 percent of the region total in the second quarter of 2004. Two of the leading employers—public administration and manufacturing—had higher average monthly wages than the \$2,591 regional average.

- **On average about 8,570 jobs were created per quarter from second quarter 2001 to second quarter 2004; average quarterly net job flows was about 650.**

Job creation is the number of new jobs that are created either by new area businesses or expansion of existing firms. Net job flows reflect the difference between current and previous employment at all businesses.

- **Four occupations are both high-demand and fast-growing: Home Health Aides; Electricians; Security Guards; and First-Line Supervisors/Managers of Production & Operating Workers.**

The top five high-demand occupations are Cashiers; Retail Salespersons; Combined Food Preparation and Serving Workers; Office Clerks, General; and Waiters and Waitresses. The top five fast-growing occupations are Computer Software Engineers, Applications; Grinding and Polishing Workers, Hand; Home Health Aides; Computer Software Engineers, Systems Software; and Mechanical Engineers.

- **The top 50 highest earning occupations are mainly in health, management, computer, legal, engineering, and postsecondary education fields.**

Almost all high-earning occupations require bachelor's or higher degrees. Of the top ten high-earning occupations, seven are in health, two are legal, and one is management.

- **Fast-growing or high-demand occupations are generally not high-earning.**

Of 39 selected high-demand, 34 selected fast-growing, and 50 selected high-earning occupations, only one occupation—General and Operations Managers—is both high-earning and in high-demand. Four occupations are both high-earning and fast-growing: Sales Managers; Computer Software Engineers, Applications; Mechanical Engineers; and Industrial Engineers.

Workforce Investment Advisory Areas



- Employment is currently growing faster than the labor force.

## Implications for Workforce Development

- **The region's labor force must grow faster to meet workforce demand either by increasing the participation rate, growing population, or both.**

Higher employment demand might intensify commuter inflow while challenging workforce development. Initiatives addressing this challenge might (i) focus on hard-to-serve populations (e.g. out-of-school youth and illiterate adults), (ii) facilitate in-commuting, and (iii) help communities gain new residents, especially since increasing the number of residents is generally more beneficial to communities than in-commuting. Hard-to-serve populations are often outside of the mainstream economy, poor, and have difficulty finding work. They are potential labor force participants and investment in training, transportation, child care, infrastructure, etc. may be needed to tap this resource.

- **Economic development should target high-earning industries and workforce development should ensure availability of workers for such industries.**

High-demand and high-growth occupations are common to the leading, but not very high wage, employment sectors. Economic development should aim to diversify and strengthen the regional economy by retaining, expanding, and attracting more high-wage providing industries. Workforce development efforts should prepare workers for these industries.

- **Training in basic skills is very important, but high-earning jobs need resource management, complex problem solving, and systems skills as well.**

Basic skills are important for high-demand, high-growth, and high-earning jobs. This indicates a strong need for training in such skills. Ideally, all high school graduates should possess basic skills so that postsecondary and higher education can focus on other and more complex skills while enhancing these basic skills. Employers should be an integral part of planning for training as they can help to identify future skill needs and any existing gaps.

- **A highly educated and productive workforce is a critical economic development asset.**

Skill and education requirements for jobs keep rising. There is therefore a very strong need to raise educational attainment in the region. Although this presents challenges to workforce development, it also provides opportunities for economic development through workforce development activities that involve postsecondary and higher education institutions. Higher incomes to graduates from these institutions would help to raise personal income for the region. Raising personal income by improving educational attainment and technological skills for the region is an effective economic development strategy. Thus, workforce development should continuously educate individuals, the public, and legislators about the private and social returns from education. This strategy will encourage individuals to seek to raise their own educational attainment level and also promote public support for education.

- **Ongoing worker retraining programs should be continued and enhanced.**

This point is noted in the WIAA Region 7 2005 regional advisory council's annual report with a call for funding for various programs. Alabama has a number of tools to assess, retrain, and place dislocated workers, especially those affected by outsourcing. These programs should be continued to ensure that the labor force participation rate does not fall.

- **Together, workforce development and economic development can build a strong and well-diversified regional economy. Indeed, one cannot achieve success without the other.**

# WIAA Region 7

## Workforce Report I Summary, 2005



### ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS OFFICE OF WORKFORCE DEVELOPMENT

Tim Alford, *Director*  
 Linda Bryan, *Executive Assistant*  
 Alice Schaum, *Regional Advisory Council Coordinator*  
 401 Adams Avenue, Suite 590  
 Montgomery, AL 36104  
 Phone: (334) 353-1490, 1686, 5382  
 Fax: (334) 353-2005  
 OWD@adeca.state.al.us  
<http://www.owd.alabama.gov>